

Extractive Sector Transparency Measures Act - Annual Report

Reporting Entity Name	Argonaut Gold Inc.					
Reporting Year	From	1/1/2017	To:	12/31/2017	Date submitted	5/29/2018
Reporting Entity ESTMA Identification Number	E217052		<input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report			
Other Subsidiaries Included (optional field)						
For Consolidated Reports - Subsidiary Reporting Entities Included in Report:	E268348 Castle Gold Corporation, E499979 Pediment Gold Corp.					
Not Substituted						
Attestation by Reporting Entity						
<i>In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.</i>						
Full Name of Director or Officer of Reporting Entity	David Ponczoch			Date	5/29/2018	
Position Title	Chief Financial Officer					

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Subsidiary Reporting Entities (if necessary)	E268348 Castle Gold Corporation, E499979 Pediment Gold Corp.					

Payments by Payee

Country	Payee Name ¹	Departments, Agency, etc... within Payee that Received Payments ²	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes ³⁴
Mexico	Federal Government of Mexico		4,110,000	940,000	650,000					5,700,000	The breakdown of amounts paid to the Payee represents the following: 1) Corporate income taxes paid in cash to the Secretaria de Hacienda y Credito Publico of CA\$1,480,000. Additionally, payments were made in-kind through the reduction of a refundable value added tax receivable and net operating losses from prior years of CA\$300,000. 2) Mining taxes paid in cash to the Secretaria de Hacienda y Credito Publico of CA\$2,630,000. 3) Royalties on precious metals revenue paid in cash to the Secretaria de Hacienda y Credito Publico of CA\$940,000. 4) Various fees paid in cash totaling CA\$650,000 related to the following: -Concession fees paid to the Secretaria de Economia of CA\$610,000; -Surcharge fees paid to the Secretaria de Hacienda y Credito Publico of CA\$30,000; and -Permitting fees paid to the Secretaria de Medio Ambiente y Recursos of CA\$10,000. Balances translated to CA\$ using 2017 average MXN to CAD rate of 0.0688.
United States of America	Federal Government of the United States		100,000							100,000	The amount paid to the Payee represents corporate income taxes paid in cash to the United States Department of the Treasury of CA\$100,000. Balance translated to CA\$ using 2017 average USD to CAD rate of 1.2986.
Canada	Batchewana First Nation				190,000					190,000	The amount paid to the Payee represents fees paid in cash to the Batchewana First Nation of CA\$190,000. Balance paid in CA\$.
			4,210,000	940,000	840,000	-	-	-	-	5,990,000	

Additional Notes:	
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Payments by Project

Country	Project Name ¹	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes ²³
Mexico	El Castillo	890,000	470,000	40,000					1,400,000	Balances translated to CA\$ using 2017 average MXN to CAD rate of 0.0688.
Mexico	La Colorada	1,740,000	470,000	180,000					2,390,000	Balances translated to CA\$ using 2017 average MXN to CAD rate of 0.0688.
Mexico	San Antonio			420,000					420,000	Balances translated to CA\$ using 2017 average MXN to CAD rate of 0.0688.
Mexico	Ely			10,000					10,000	Balances translated to CA\$ using 2017 average MXN to CAD rate of 0.0688.
Mexico	Corporate	1,480,000							1,480,000	Balances translated to CA\$ using 2017 average MXN to CAD rate of 0.0688.
United States of America	Corporate	100,000							100,000	Balances translated to CA\$ using 2017 average USD to CAD rate of 1.2986.
Canada	Magino			190,000					190,000	
		4,210,000	940,000	840,000	-	-	-	-	5,990,000	

Additional Notes³: